

THE PITTSBURGH & LAKE ERIE RAILROAD COMPANY

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No. **3-2901036**
Date **OCT 17 1983**
Fee \$ **10.00**
ICC Washington, D. C.

October 13, 1983

RECORDATION NO. **12317** Filed 1425

Ms. Agatha L. Mergenovich, Secretary
Interstate Commerce Commission
12th and Constitution Ave., N.W.
Washington, DC 20423

OCT 17 1983 12:45 PM
INTERSTATE COMMERCE COMMISSION

RECEIVED
OCT 17 12 41 PM '83
FEE OPERATION BR.
I.C.C.

Dear Ms. Mergenovich:

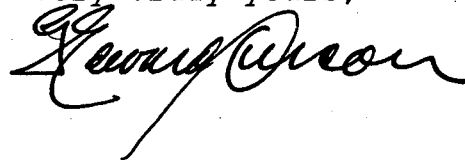
Enclosed for filing with the Commission pursuant to Section 11303(a) of the Interstate Commerce Act are three executed originals and two copies of the following document:

Release of Collateral, dated as of October 4, 1983, to the Security Agreement dated as of October 15, 1980, and the Security Agreement dated as of July 1, 1983, between The Pittsburgh and Lake Erie Railroad Company and Manufacturers Hanover Trust Company, said Agreements having been recorded with the Interstate Commerce Commission and assigned Recordation No. 12317 et seq.

Also enclosed is P&LE Voucher No. 2750, dated October 13, 1983, in the amount of \$10.00, payable to the Treasurer of the United States, to cover the recording fee prescribed by the Commission in its rules and regulations.

Please acknowledge receipt at your earliest convenience by stamping and returning to me two executed originals and one copy of the document.

Very truly yours,



GEY/dw

Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

10/17/83

OFFICE OF THE SECRETARY

G. Edward Yurcon, Gen. Counsel
The Pittsburgh & Lake Erie RR. Co.
Suite 780 Commerce Court
Four Station Square
Pittsburgh, PA. 15219-1199

Dear

Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 10/17/83 at 12:45pm, and assigned re-recording number(s). 12317-G

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

SE-30
(7/79)

OCT 17 1983 12 41 PM

INTERSTATE COMMERCE COMMISSION

RELEASE OF COLLATERAL

RELEASE OF COLLATERAL, dated this 4th day of October, 1983, made between MANUFACTURERS HANOVER TRUST COMPANY, a New York banking corporation (the "Bank"), and THE PITTSBURGH AND LAKE ERIE RAILROAD COMPANY, a Delaware corporation (the "Company").

WITNESSETH

WHEREAS, the Company and the Bank are parties to (i) the Security Agreement, dated as of October 15, 1980, as heretofore amended and (ii) the Security Agreement, dated as of July 1, 1983 (collectively, as amended, the "Security Agreements"); and

WHEREAS, pursuant to the Security Agreements, the Company granted and created in favor of the Bank a security interest under Section 11303 of the Interstate Commerce Act in certain railroad equipment as described in the Schedules attached to the respective Security Agreements, which railroad equipment constitutes "Collateral" as defined in said agreements; and

WHEREAS, there are three (3) locomotives, Identification Nos. P&LE 1535, 1539 and 1540 (the "Locomotives"), constituting Collateral which the Company desires to have released from the security interest of the Bank, and to have deleted from the list of Collateral recorded with the Interstate Commerce Commission and assigned Recordation No. 12317; and

WHEREAS, the Company has agreed to sell the Locomotives for cash and to cause to be delivered to the Bank certain proceeds of such sale for application by the Bank toward payment of obligations of the Company secured pursuant to one or both of the Security Agreements (the "Secured Obligations");

NOW, THEREFORE, in consideration of the premises and of the agreement by the Company to cause payment to the Bank of certain proceeds of the sale of the Locomotives, the parties hereto hereby agree as follows:

1. The Bank hereby releases its security interest under Section 11303 of the Interstate Commerce Act in the locomotives having Identification Nos. P&LE 1535, 1539 and 1540.

2. The Company will cause this Release of Collateral to be filed and recorded in the Office of the Interstate Commerce Commission pursuant to the provisions of Section 11303 of the Interstate Commerce Act, and will furnish to the Bank a certificate or other evidence satisfactory to the Bank of such filing and recording.

3. The Company has entered into an agreement of sale in respect of the Locomotives (the "Agreement of Sale"). Pursuant to the Agreement of Sale, the Company has already received a \$200,000 check as part payment for the Locomotives. The Company shall cash such check and, after reimbursing itself for any amounts spent in repairing and refurbishing the Locomotives so that they could be in a condition suitable for sale pursuant to the Agreement of Sale, shall immediately forward the remainder of such initial proceeds under the Agreement of Sale to the Bank to be applied by the Bank towards payment of the principal amount of the Secured Obligations in such order as the Bank in its sole discretion shall determine.

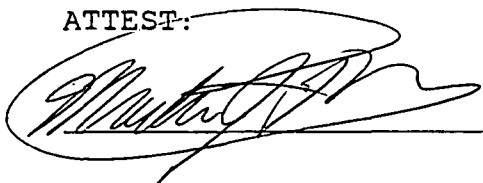
4. The Company will cause the remaining payment due under the Agreement of Sale to be effected in a manner so that the Bank will receive, directly from the purchaser of the Locomotives, the remaining cash proceeds due under the Agreement of Sale; such amount shall be paid directly to the Bank by means of a check drawn by or on behalf of the purchaser under the Agreement of Sale and payable to the order of the Bank, or by direct funds transfer from such purchaser's bank to the Bank, and in any event the Company will ensure that none of such cash proceeds becomes commingled with the property of the Company. The Bank will apply such cash proceeds toward payment of the principal amount of the Secured Obligations in such order as the Bank in its sole discretion shall determine.

5. This Release of Collateral may be simultaneously executed in several counterparts, each of which shall be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

6. This Release of Collateral will become effective only when counterpart hereof have been executed by the Company, the Bank and Pleco Inc.

IN WITNESS WHEREOF, the parties have caused this Release of Collateral to be signed in their respective corporate names by their respective officers thereunder duly authorized and their respective corporate seals to be hereunder affixed and duly attested as of the day and year first above written.

ATTEST:



MANUFACTURERS HANOVER TRUST
COMPANY

By: Michael T. Schlegel

ATTEST:

James C. Nevenschwander
ASSISTANT SECRETARY

THE PITTSBURGH AND LAKE ERIE
RAILROAD COMPANY.

By: James C. Nevenschwander
EXECUTIVE VICE PRESIDENT

CONSENTED TO:

PLECO INC.

By: J. H. Fram
Title: PRESIDENT

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

On this 7th day of October, 1983, before me personally appeared Michael T. Schlegel, to me personally known, who being by me duly sworn, says that he is a Vice President of Manufacturers Hanover Trust Company, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Alice Antreassian
Notary Public

My Commission Expires: _____

ALICE ANTREASSIAN
Notary Public, State of New York
No. 31-5090525
Qualified in New York County
Certificate filed in New York County
Commission Expires March 30, 1984

COMMONWEALTH OF PENNSYLVANIA)
) SS:
COUNTY OF ALLEGHENY)

On the 10th day of October, 1983, before me personally appeared GORDON E. NEUENSCHWANDER, to me personally known, who, being by me duly sworn, says that he is EXECUTIVE VICE PRESIDENT of The Pittsburgh and Lake Erie Railroad Company, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Terri Stebner-Wilson
Notary Public

My Commission Expires: _____

TERRI STEBNER-WILSON, NOTARY PUBLIC
BRENTWOOD BORO. ALLEGHENY COUNTY
MY COMMISSION EXPIRES MAY 13, 1985
Member, Pennsylvania Association of Notaries